



## **ARKANSAS INSURANCE DEPARTMENT LEGAL DIVISION**

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### **Rule and Regulation 5**

#### **LICENSING OF SOLICITORS**

##### **SOLICITORS**

Act 148 of 1959, Acts of Arkansas, the new Insurance Code which became effective January 1, 1960, provides in part as follows:

"*Solicitor*" defined. -A "Solicitor" is an individual appointed and authorized by an agent or broker to solicit applications for insurance, other than life or disability insurance, as a representative of such agent or broker, and who maintains an office with such agent or broker.

##### *Qualifications for License:*

If for a Solicitor's License must have been appointed as solicitor by a licensed resident agent or broker, *and make and intend to make soliciting insurance a principal vocation.*

##### **SPECIAL REQUIREMENTS AS TO SOLICITORS**

- (1) A solicitor shall not be appointed or licensed as to more than one agent or broker.
- (2) Examination of an applicant for a solicitor's license shall cover all kinds of insurance, other than life or disability insurance, as to which the appointing agent or broker is licensed.
- (3) A solicitor shall not concurrently be licensed as agent or broker, except as to life or disability insurance.
- (4) A solicitor shall not have authority to bind risks or countersign policies.
- (5) The transactions of a solicitor under his licenses shall be in the name of the agent or broker by whom appointed; and such agent or broker shall be responsible for the acts or omissions of the solicitor within the scope of his appointment.
- (6) The solicitor shall maintain his office with that of the appointing agent or broker, and records of his transactions under the license shall be maintained as a part of the records of such agent or broker.
- (7) The solicitor's license shall remain in the custody of the agent or broker by whom appointed. Upon termination of the appointment the agent or broker shall give written notice thereof to the Commissioner and deliver the license to the Commissioner for cancellation.

##### **SUSPENSION, REVOCATION OR REFUSAL OF LICENSE**

- (1) The Commissioner may suspend for not more than twelve (12) months, or may revoke or refuse to continue any license issued under this chapter or any surplus line broker license if, after notice to the licensee and to the insurer represented (as to an

agent) or to the appointing agent or broker (as to a solicitor), and hearing, he finds that as to the licensee any one or more of the following causes exist:

(a) Any cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner.

(b) Violation of or noncompliance with any applicable provision of this code, or for willful violation of any lawful rule, regulation, or order of the Commissioner.

(c) Obtaining or attempting to obtain any such license *through misrepresentation or fraud*.

(d) Misappropriation or conversion to his own use, or illegal withholding, of moneys belonging to policyholders, insurers, beneficiaries, or heirs, and received in conduct of business under the license.

(e) Conviction, by final judgment, of a felony involving moral turpitude.

(f) If in the conduct of his affairs under the license the licensee has used fraudulent, or dishonest practices, or trade practices prohibited by this code.

(2) The license of a firm or corporation may be suspended, revoked, or refused also for any of such causes as relate to any individual designated in the license to exercise its powers.

History. -Issued April 3, 1967.